

110TH CONGRESS
2D SESSION

H. R. 6251

To prohibit the Secretary of the Interior from issuing new Federal oil and gas leases to holders of existing leases who do not diligently develop the lands subject to such existing leases or relinquish such leases, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2008

Mr. RAHALL (for himself, Mr. MARKEY, Mr. HINCHEY, Mr. EMANUEL, Mrs. CAPPS, Mr. DEFazio, Mr. YARMUTH, Mr. GRIJALVA, Mr. LARSON of Connecticut, Mr. GEORGE MILLER of California, and Mr. HALL of New York) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To prohibit the Secretary of the Interior from issuing new Federal oil and gas leases to holders of existing leases who do not diligently develop the lands subject to such existing leases or relinquish such leases, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Responsible Federal
5 Oil and Gas Lease Act”.

1 **SEC. 2. ISSUANCE OF NEW LEASES.**

2 (a) IN GENERAL.—The Secretary of the Interior shall
3 not issue any new lease that authorizes the exploration
4 for or production of oil or natural gas, under section 17
5 of the Mineral Leasing Act (33 U.S.C. 226), the Mineral
6 Leasing Act for Acquired Lands Act (30 U.S.C. 351 et
7 seq.), or the Outer Continental Shelf Lands Act (43
8 U.S.C. 1331 et seq.), to a person unless the person—

9 (1) certifies for each existing lease under such
10 Acts for the production of oil or gas with respect to
11 which the person is a lessee, that the person has dili-
12 gently developed the Federal lands that are subject
13 to the lease in order to produce oil or natural gas
14 or is producing oil or natural gas from such lands;
15 or

16 (2) has relinquished all Federal oil and gas
17 leases under which oil and gas is not being diligently
18 developed.

19 (b) DILIGENT DEVELOPMENT.—The Secretary shall
20 issue regulations within 180 days after the date of enact-
21 ment of this Act that define “diligently developed” for
22 purposes of subsection (a). Such regulations shall—

23 (1) include benchmarks for oil and gas develop-
24 ment that will ensure that leaseholders produce oil
25 and gas from each lease within the 5-year original
26 term of the lease; and

1 (2) require each leaseholder to submit to the
2 Secretary a diligent development plan showing how
3 the lessee will meet the benchmarks.

4 (c) FAILURE TO COMPLY WITH REQUIREMENTS.—
5 Any person who fails to comply with the requirements of
6 this section or any regulation or order issued to implement
7 this section shall be liable for a civil penalty under section
8 109 of the Federal Oil and Gas Royalty Management Act
9 of 1982 (30 U.S.C. 1719).

10 (d) LESSEE DEFINED.—In this section the term “les-
11 see” includes any person or other entity that controls, is
12 controlled by, or is in or under common control with, a
13 lessee.

14 **SEC. 3. LEASE TERMS.**

15 (a) LEASES FOR OFFSHORE LANDS.—Section
16 8(b)(2) of the Outer Continental Shelf Lands Act (43
17 U.S.C. 1337(b)(2)) is amended to read as follows:

18 “(2)(A) be for an initial period of 5 years, and
19 may be renewed for additional 1-year periods, sub-
20 ject to subparagraphs (B) and (C);

21 “(B) not be renewed for an additional period,
22 unless the Secretary determines that as of the date
23 of the expiration of the preceding period—

24 “(i) production of oil or gas is occurring
25 under the lease; or

1 “(ii) the lessee is making good-faith
2 progress towards such production and addi-
3 tional time is required to initiate such produc-
4 tion; and

5 “(C) be subject to a rental for each such addi-
6 tional period that is not less than double the rental
7 rate that applied for the last year of the initial pe-
8 riod;”.

9 (b) LEASES FOR ONSHORE LANDS.—

10 (1) LEASES UNDER MINERAL LEASING ACT.—

11 Section 17(e) of the Mineral Leasing Act (33 U.S.C.
12 226(e)) is amended to read as follows:

13 “(e) Leases issued under this section shall—

14 “(1) be for an initial period of 5 years, and may
15 be renewed for additional 1-year periods, subject to
16 paragraphs (2) and (3);

17 “(2) not be renewed for an additional period,
18 unless the Secretary determines that as of the date
19 of the expiration of the preceding period—

20 “(A) production of oil or gas is occurring
21 under the lease; or

22 “(B) the lessee is making good-faith
23 progress towards such production and addi-
24 tional time is required to initiate such produc-
25 tion; and

1 “(3) be subject to a rental for each such addi-
 2 tional period that is not less than double the rental
 3 rate that applied for the last year of the initial pe-
 4 riod.”.

5 (2) LEASES UNDER MINERAL LEASING ACT FOR
 6 ACQUIRED LANDS.—The Mineral Leasing Act for
 7 Acquired Lands Act (30 U.S.C. 351 et seq.) is
 8 amended by adding at the end the following:

9 **“SEC. 12. LEASE TERMS.**

10 “Leases issued under this section shall—

11 “(1) be for an initial period of 5 years, and may
 12 be renewed for additional 1-year periods, subject to
 13 paragraphs (2) and (3);

14 “(2) not be renewed for an additional period,
 15 unless the Secretary determines that as of the date
 16 of the expiration of the preceding period—

17 “(A) production of oil or gas is occurring
 18 under the lease; or

19 “(B) the lessee is making good-faith
 20 progress towards such production and addi-
 21 tional time is required to initiate such produc-
 22 tion; and

23 “(3) be subject to a rental for each such addi-
 24 tional period that is not less than double the rental

- 1 rate that applied for the last year of the initial pe-
- 2 riod.”.

